

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA	*	Case No. 14-CR-00379 (RRM)
	*	
	*	Brooklyn, New York
	*	July 23, 2014
v.	*	
	*	
CECIL FRANKLIN SPEIGHT,	*	
	*	
Defendant.	*	
	*	
* * * * *		

TRANSCRIPT OF CRIMINAL CAUSE FOR PLEADING
BEFORE THE HONORABLE ROANNE MANN
UNITED STATES MAGISTRATE JUDGE

APPEARANCES:

For the Government:	JACK DENNEHY, ESQ. Asst. United States Attorney United States Attorney's Office 271 Cadman Plaza East Brooklyn, NY 11201-1820
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For the Defendant:	ROBERT S. FRANKLIN, ESQ. 1 Exchange Plaza New York, NY 10006
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Proceedings recorded by electronic sound recording,
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1 (Proceedings commenced at 4:14 p.m.)

2 THE CLERK: Criminal cause for pleading, docket no.
3 14-CR-379, *United States of America v Cecil Speight*.

4 Counsel, please state your appearance for the record.

5 MR. DENNEHY: For the government, Jack Dennehy, D-
6 E-N-N-E-H-Y. Good afternoon, Your Honor.

7 THE COURT: Good afternoon.

8 MR. FRANKLIN: On behalf of the defendant, Robert
9 Franklin, F-R-A-N-K-L-I-N. Good afternoon, Your Honor.

10 THE COURT: Good afternoon. Welcome to all of you.
11 Please be seated and I'd ask you to remain seated during this
12 proceeding so you'll be closer to the microphones.

13 As I understand it, this is the -- the defendant's
14 initial appearance?

15 MR. DENNEHY: Yes, Your Honor.

16 THE COURT: And he self-surrendered today?

17 MR. DENNEHY: Correct, Your Honor.

18 THE COURT: I will get to the issue of bail towards
19 the end of the proceeding, but just so that I know now there
20 -- is there an agreed upon bond?

21 MR. DENNEHY: There is, Your Honor. Pending Your
22 Honor's approval.

23 THE COURT: And this is an unsecured, un-cosigned
24 bond?

25 MR. DENNEHY: Correct, Your Honor.

1 THE COURT: And the government is satisfied that
2 this is sufficient to ensure the -- the plaintiff -- the
3 defendant's appearance in court?

4 MR. DENNEHY: Yes, Your Honor.

5 THE COURT: All right. Mr. Speight, I have before
6 me a document entitled Order of Referral. This order refers
7 the guilty plea proceeding to me to hear. There is a consent
8 portion at the bottom.

9 Is that your signature on the defendant's signature
10 line?

11 THE DEFENDANT: Yes, Your Honor.

12 THE COURT: Have you read this document and
13 discussed it with your attorney?

14 THE DEFENDANT: Yes, Your Honor.

15 THE COURT: Do you understand what you've agreed to
16 by signing this document?

17 THE DEFENDANT: Yes, Your Honor.

18 THE COURT: I want to make sure that you do
19 understand. This is Judge Mauskopf's case. She's the United
20 States District Court Judge and she's the judge who will
21 sentence you and make the ultimate decision as to whether to
22 accept your guilty plea.

23 If you wish, you have the absolute right to have
24 Judge Mauskopf listen to your plea and if you choose to do
25 that, there'll be no prejudice or harm to you. Do you

1 understand that?

2 THE DEFENDANT: Yes, Your Honor.

3 THE COURT: On the other hand, if you wish, I will
4 listen to your plea. I'm a United States magistrate judge.
5 This proceeding is being recorded. A transcript will be made
6 of the proceeding and Judge Mauskopf will review it to decide
7 whether to accept your plea. She'll also review it in
8 connection with your sentence. Do you understand that?

9 THE DEFENDANT: Yes, Your Honor.

10 THE COURT: Understanding what I've just said, do
11 you still wish to give up your right to have Judge Mauskopf
12 listen to your plea and are you prepared to proceed before me
13 at this time?

14 THE DEFENDANT: Yes, Your Honor.

15 THE COURT: I'm going to ask you to keep your voice
16 up, please.

17 Are you making this decision voluntarily and of
18 your own free will?

19 THE DEFENDANT: Yes.

20 THE COURT: Have any promises or threats been made
21 to you to get you to agree to have me hear your plea?

22 THE DEFENDANT: No.

23 THE COURT: I find that the defendant's consent is
24 knowing, intelligent, and voluntary.

25 Mr. Speight, before accepting your guilty plea

1 there are a number of questions that I have to ask you to
2 make sure that it's a valid plea. If you don't understand
3 any of my questions, please say so and I'll reword the
4 question. All right?

5 THE DEFENDANT: Yes.

6 THE COURT: I'm now going to ask my law clerk to
7 administer the oath.

8 (The defendant is sworn.)

9 THE CLERK: Please state your full name and spell
10 your last name for the record.

11 THE DEFENDANT: Full name is Cecil Franklin
12 Speight, S-P-E-I-G-H-T.

13 THE COURT: Mr. Speight, you should understand that
14 having been sworn, your answers to my questions will be
15 subject to the penalties of perjury if you do not answer
16 truthfully. Do you understand that?

17 THE DEFENDANT: Yes.

18 THE COURT: Mr. Speight, how old are you?

19 THE DEFENDANT: 53.

20 THE COURT: How far did you go in school?

21 THE DEFENDANT: Graduate school.

22 THE COURT: You have a -- a graduate degree?

23 THE DEFENDANT: Masters.

24 THE COURT: In what area?

25 THE DEFENDANT: Masters in religious studies and --

1 and business.

2 THE COURT: Are you now or have you recently been
3 under the care of a doctor or psychiatrist?

4 THE DEFENDANT: No.

5 THE COURT: In the past 24 hours, have you taken
6 any drugs, narcotics, medicine, or pills, or drunk any
7 alcoholic beverages?

8 THE DEFENDANT: No.

9 THE COURT: And have you ever been hospitalized or
10 treated for substance abuse or for any mental or emotional
11 problem?

12 THE DEFENDANT: No.

13 THE COURT: Is your mind clear now?

14 THE DEFENDANT: Yes.

15 THE COURT: Do you understand what's going on here
16 now?

17 THE DEFENDANT: Yes.

18 THE COURT: The United States Attorney's Office is
19 prepared to file what's known as a criminal information, and
20 I understand that you're prepared to plead guilty to that
21 information. The information contains one count or charge.

22 Specifically, it alleges a conspiracy -- that you
23 engaged or participated in a conspiracy to commit mail fraud
24 and securities fraud during the period between January of
25 2012 and May of 2013.

1 The information also includes a criminal forfeiture
2 allegation. Have you seen the information?

3 THE DEFENDANT: Yes, Your Honor.

4 THE COURT: Have you discussed it with your
5 attorney?

6 THE DEFENDANT: Yes.

7 THE COURT: Do you understand the nature of the
8 charges?

9 THE DEFENDANT: Yes, I do.

10 THE COURT: The charge, I should say.

11 In a moment I'll explain to you in more detail what
12 the government would be required to prove in order to
13 establish your guilt of the -- the charge in the information.

14 For now, I want to address another matter and that
15 has to do with your agreement to waive indictment in this
16 case. You understand that the conspiracy charged in the
17 information is a felony charge? Do you understand that?

18 THE DEFENDANT: Yes.

19 THE COURT: I have before me a waiver of indictment
20 form. Is that your signature on the defendant's signature
21 line?

22 THE DEFENDANT: Yes, Your Honor.

23 THE COURT: Have you read this document and
24 discussed it with Mr. Franklin?

25 THE DEFENDANT: Yes.

1 THE COURT: Do you understand what you're waiving
2 or giving up by waiving indictment?

3 THE DEFENDANT: Yes.

4 THE COURT: I want to make sure that you do
5 understand what it is you're giving up.

6 You have a constitutional right to be charged by an
7 indictment of a grand jury. You can, however, waive or give
8 up that right and consent to being charged by what's known as
9 an information of the United States Attorney. Rather than an
10 indictment, the felony charge that I just summarized for you
11 has been brought by the United States Attorney by filing an
12 information.

13 Unless you waive indictment, you may not be charged
14 with a felony unless a grand jury finds by returning an
15 indictment that there's probable cause to believe that a
16 crime has been committed and that you committed it. Do you
17 understand that?

18 THE DEFENDANT: Yes, Your Honor.

19 THE COURT: If you do not waive indictment, the
20 government could present this case to the grand jury and
21 request that the grand jury indict you.

22 A grand jury is composed of at least 16 and not
23 more than 23 persons, and at least 12 grand jurors must find
24 that there's probable cause to believe that you committed the
25 crime with which you are charged before you may be indicted.

1 Do you understand that?

2 THE DEFENDANT: Yes, Your Honor.

3 THE COURT: If this case were presented to a grand
4 jury, the grand jury might or might not indict you. If you
5 waive indictment by the grand jury, the case will proceed
6 against you on the basis of the U.S. Attorney's information
7 just as though you had been indicted. Do you understand
8 that?

9 THE DEFENDANT: Yes.

10 THE COURT: Have you discussed with your attorney
11 the matter of waiving your right to indictment by the grand
12 jury?

13 THE DEFENDANT: Yes.

14 THE COURT: Do you understand your right to
15 indictment by a grand jury?

16 THE DEFENDANT: Yes.

17 THE COURT: Have any threats or promises been made
18 to you to get you to agree to waive indictment?

19 THE DEFENDANT: No.

20 THE COURT: Understanding what I've just said, do
21 you still wish to waive your right to indictment by a grand
22 jury?

23 THE DEFENDANT: Yes.

24 THE COURT: I find that Mr. Speight's waiver is
25 knowing, intelligent, and voluntary. Therefore, the

1 indictment -- the information will be -- will be filed.

2 Mr. Franklin, have you discussed the matter of
3 pleading guilty with your client?

4 MR. FRANKLIN: Yes, I have, Your Honor.

5 THE COURT: In your view, does he understand the
6 rights he'll be waiving by pleading guilty?

7 MR. FRANKLIN: Yes, he does.

8 THE COURT: Is he capable of understanding the
9 nature of these proceedings?

10 MR. FRANKLIN: Yes.

11 THE COURT: Do you have any doubt as to his
12 competence to plead at this time?

13 MR. FRANKLIN: I have no doubt as to that.

14 THE COURT: Have you advised him of the maximum
15 sentence and fine that can be imposed and have you discussed
16 with him the effect of the sentencing guidelines?

17 MR. FRANKLIN: Yes, I have.

18 THE COURT: Mr. Speight, have you discussed your
19 case with Mr. Franklin and are you satisfied to have him
20 represent you?

21 THE DEFENDANT: Yes, Your Honor.

22 THE COURT: And I understand that you have retained
23 Mr. Franklin as your attorney. You should understand that if
24 you cannot afford to continue to retain counsel, the Court
25 will appoint an attorney to represent you at no cost to you.

1 Do you understand that?

2 THE DEFENDANT: Yes.

3 THE COURT: You indicated a moment ago that you've
4 seen a copy of the information. Have you consulted with Mr.
5 Franklin about the information?

6 THE DEFENDANT: Yes, Your Honor.

7 THE COURT: As I indicated earlier, the one charge
8 in the indictment alleges that between approximately January
9 of 2012 and May of 2013, you knowingly and intentionally
10 conspired to commit mail fraud and securities fraud.

11 In order to prove you guilty of that offense, the
12 government would have to prove the following beyond
13 reasonable doubt.

14 First, that at some time during the approximate
15 time period charged in the information, two or more persons
16 in some manner or -- or way agreed to accomplish a common and
17 unlawful plan to commit mail fraud and/or securities fraud as
18 charged in the indictment.

19 Second, that the government would have to prove
20 that you knew the unlawful purpose of the plan and -- and
21 willfully joined it.

22 And third, that you or some co-conspirator
23 committed an overt act to accomplish the object of the
24 conspiracy. That is, that an affirmative step was taken in
25 order to accomplish the conspiracy's objective or objectives.

1 Now, I want to take a moment to explain to you the
2 two -- the -- the two objectives of the conspiracy, and that
3 is mail fraud and securities fraud, and what the government's
4 obligation would be in connection with -- with proving those
5 offenses as the conspiratorial objective.

6 First, with respect to securities fraud, the
7 government would have to prove that you and your co-
8 conspirators agreed to use a device or scheme to defraud
9 someone, or made an untrue statement of a material fact, or
10 failed to disclose a material fact that resulted in making
11 the statements misleading, or engaged in any act, practice,
12 or course of business that would operate as a fraud or deceit
13 upon any person.

14 Second, the government would have to prove that the
15 acts or failure to disclose were to be made in connection
16 with the sale of a security.

17 In this case, the information charges that there
18 were two cons -- two securities involved, Altmark bonds and
19 Adfitech's stock.

20 Third, the government would have to prove that it
21 was contemplated that an instrument or facility of interstate
22 commerce, such as the mails, would be used in connection with
23 these acts or failure to disclose.

24 And finally, that you and your co-conspirators
25 acted for the purpose of defrauding buyers of those

1 securities.

2 Do you understand the -- the object of securities
3 fraud?

4 THE DEFENDANT: Yes.

5 THE COURT: An alternative object that's pleaded in
6 the information is mail fraud.

7 In order to prove that mail fraud was the object of
8 the conspiracy or agreement, the government would have to
9 prove the following beyond a reasonable doubt.

10 First, that there was a scheme to defraud or to
11 obtain money or property by means of false or fraudulent
12 pretenses.

13 Second, that you knowingly and willfully
14 participated in this scheme with the intent to defraud or to
15 obtain money or property by means of false or fraudulent
16 pretenses.

17 And third, that it was contemplated that the -- the
18 use of the United States mails or commercial copier would be
19 -- commercial carrier would be used in furtherance of the --
20 that scheme.

21 Do you understand the conspiratorial objective of
22 mail fraud?

23 THE DEFENDANT: Yes.

24 THE COURT: I now want to talk with you about the
25 rights that you'll be giving up by pleading guilty. But the

1 first and most important thing that you have to understand is
2 that you have an absolute right to plead not guilty. Do you
3 understand that?

4 THE DEFENDANT: Yes, Your Honor.

5 THE COURT: If you plead not guilty, then under the
6 constitution and laws of the United States you're entitled to
7 a speedy and public trial by jury with the assistance of
8 counsel on the charge contained in the information against
9 you. Do you understand that?

10 THE DEFENDANT: Yes.

11 THE COURT: You have the right to be represented by
12 an attorney and, as I said earlier, if necessary, to have the
13 Court appoint an attorney to represent you not only at trial
14 but at every other stage of the proceeding. Do you
15 understand that?

16 THE DEFENDANT: Yes.

17 THE COURT: At the trial, you would be presumed to
18 be innocent and the government would have to overcome that
19 presumption and prove you guilty by competent evidence and
20 beyond a reasonable doubt. You would not have to prove that
21 you were innocent.

22 And if the government failed to prove you guilty
23 beyond a reasonable doubt, the jury would have the duty to
24 find you not guilty. Do you understand that?

25 THE DEFENDANT: Yes.

1 THE COURT: In the course of the trial, the
2 witnesses for the government would have to come to court and
3 testify in your presence and your attorney would have the
4 right to cross-examine the witnesses for the government, to
5 object to evidence offered by the government, to offer
6 evidence on your behalf, and to compel the attendance of
7 witnesses. Do you understand that?

8 THE DEFENDANT: Yes, Your Honor.

9 THE COURT: At a trial, while you would have the
10 right to testify if you chose to do so, you could not be
11 required to testify.

12 Under the Constitution of the United States, you
13 cannot be compelled to incriminate yourself. If you decided
14 not to testify, the Court would, at your lawyer's request,
15 instruct the jurors so that they could not hold that against
16 you. Do you understand that?

17 THE DEFENDANT: Yes.

18 THE COURT: If you plead guilty and the Court
19 accepts your plea, you'll be giving up your constitutional
20 right to a trial and the other rights that I've just
21 discussed. There'll be no further trial of any kind and no
22 right of appeal from the judgment of guilty. The Court will
23 simply enter a judgment of guilty on the basis of your guilty
24 plea. Do you understand that?

25 THE DEFENDANT: Yes, Your Honor.

1 THE COURT: If you plead guilty, I'll have to ask
2 you questions about what you did in order to satisfy myself
3 and Judge Mauskopf that you are, in fact, guilty of the
4 charge to which you seek to plead guilty and you'll have to
5 answer my questions and admit your guilt.

6 In that way, you'll be giving up your right not to
7 incriminate yourself. Do you understand that?

8 THE DEFENDANT: Yes, Your Honor.

9 THE COURT: Are you willing to give up your right
10 to a trial and the other rights that I've just discussed?

11 THE DEFENDANT: Yes.

12 THE COURT: I have before me a plea agreement
13 that's been marked Court Exhibit 1. Turning to the last page
14 of that document, is that your signature on the defendant's
15 signature line?

16 THE DEFENDANT: Yes, Your Honor.

17 THE COURT: Have you read this entire document and
18 discussed it with your attorney?

19 THE DEFENDANT: Yes, I have.

20 THE COURT: Do you understand all the terms and
21 conditions of this agreement?

22 THE DEFENDANT: Yes, I do.

23 THE COURT: Does this document fully and accurately
24 reflect your understanding of the agreement you've reached
25 with the government concerning your guilty plea?

1 THE DEFENDANT: Yes.

2 THE COURT: Other than the promises contained in
3 this document, has anyone made any promise that has caused
4 you to plead guilty?

5 THE DEFENDANT: No.

6 THE COURT: Has anyone made any promise to you as
7 to what your sentence will be?

8 THE DEFENDANT: No.

9 THE COURT: I now want to talk with you about the
10 sentencing scheme that's applicable here. The statute that
11 you're accused of violating carries a prison term of up to
12 five years. Do you understand that?

13 THE DEFENDANT: Yes.

14 THE COURT: In addition to a prison term, the
15 sentencing court can also impose a supervised release term of
16 up to three years. The supervised release term would follow
17 any term of imprisonment.

18 And if you violated a condition of supervised
19 release, you could then be sent back to prison for up to an
20 additional two years regardless of how much time you may
21 already have spent in prison or how much time you already
22 served on post-release supervision. Do you understand that?

23 THE DEFENDANT: Yes.

24 THE COURT: In addition to a prison term and
25 supervised release term, the sentencing court can also impose

1 a fine of up to \$250,000 or twice the gross gain or loss,
2 whichever is greater. Do you understand that?

3 THE DEFENDANT: Yes.

4 THE COURT: And I assume from the papers that I've
5 seen in this case that the loss here is \$3.3 million; is that
6 correct?

7 THE DEFENDANT: Yes, Your Honor.

8 THE COURT: And I -- and I believe that's not
9 disputed. Am I correct, Mr. Franklin?

10 MR. FRANKLIN: That is correct, Your Honor.

11 THE COURT: So, it -- it will be -- if there were
12 an issue as to the amount of the -- the loss, it would be up
13 to Judge Mauskopf to resolve that.

14 But assuming, as I'm told, there's no dispute, if
15 the loss is \$3.3 million the fine could be up to twice that
16 amount, or \$6.6 million. Do you understand that, Mr.
17 Speight?

18 THE DEFENDANT: Yes.

19 THE COURT: In addition, the sentencing court can
20 also order that you pay restitution to the victim or victims
21 of your offense and again the amount is undisputed and that
22 is \$3.3 million. Do you understand that?

23 THE DEFENDANT: Yes.

24 THE COURT: And I want to make clear to you that a
25 fine and restitution are two separate elements of -- of a

1 sentence. The sentencing court could -- could, and according
2 to the plea agreement, will require that you pay restitution
3 in the amount of \$3.3 million and can also order you to pay a
4 fine of up to two times that amount since it constitutes
5 twice the -- the loss. Do you understand that?

6 THE DEFENDANT: Yes.

7 THE COURT: And the -- and the reason why the
8 sentencing court can do that is a fine and restitution have
9 different purposes.

10 A fine is a penalty that's payable over to the
11 United States Treasury, whereas restitution is a remedy to
12 the victim or victims of a defendant's offense.

13 And even though the fine could be determined by the
14 amount of the loss in this case, nevertheless, you could be
15 required to pay both, which would be a total amount of almost
16 \$10,000,000. Do you understand that?

17 THE DEFENDANT: Yes.

18 THE COURT: And as I understand it by this plea
19 agreement, you, in fact, have agreed to a forfeiture money
20 judgment in the amount of \$3.3 million. Do you understand
21 that?

22 THE DEFENDANT: Yes.

23 THE COURT: And you've reviewed the plea agreement
24 that -- that contains detailed information about the
25 forfeiture money judgment and what you're agreeing to. Do

1 you understand that?

2 THE DEFENDANT: Yes.

3 THE COURT: The sentencing court will also impose a
4 mandatory \$100 special assessment. Do you understand that?

5 THE DEFENDANT: Yes.

6 THE COURT: I now want to talk with you about the
7 sentencing guidelines.

8 Under the Sentencing Reform Act of 1984, the United
9 States Sentencing Commission has issued guidelines for judges
10 to consider in determining the sentence in a criminal case.

11 In determining the sentence, the Court is obligated
12 to calculate the applicable sentencing guideline range and to
13 consider that range, possible departures under the
14 guidelines, and other sentencing factors including those
15 specified by statute. Do you understand that?

16 THE DEFENDANT: Yes.

17 THE COURT: Have you and Mr. Franklin talked about
18 how the guidelines might apply to your case?

19 THE DEFENDANT: Yes.

20 THE COURT: You should understand that Judge
21 Mauskopf will not be able to do the guideline calculation in
22 your case until after the Probation Department has prepared a
23 pre-sentence report and you and your attorney have had an
24 opportunity to read it and to challenge the facts reported by
25 the probation officer. Do you understand that?

1 THE DEFENDANT: Yes.

2 THE COURT: You should also understand that after
3 it's been determined what guideline applies to a case, the
4 Judge has the authority to impose a sentence that is more
5 severe or less severe than the sentence called for by the
6 guidelines depending on what is a reasonable sentence. Do
7 you understand that?

8 THE DEFENDANT: Yes.

9 THE COURT: I'm now going to ask the attorneys to
10 give their best estimate of what the guideline range of
11 imprisonment is likely to be, but I want you to keep in mind
12 that these are simply attorneys' estimates and they are not
13 binding upon Judge Mauskopf, even if, as I believe is the
14 case here, both the prosecutor and your lawyer happen to be
15 in agreement. Do you understand that?

16 THE DEFENDANT: Yes.

17 THE COURT: And, Mr. Dennehy, I take it the
18 government's calculations are set forth in paragraph two of
19 the agreement?

20 MR. DENNEHY: They are, Your Honor. And in
21 reviewing that, it occurs to me that in the second half of
22 that paragraph we should amend the date for the third point
23 of acceptance to reflect today's date of July 23rd and we'll
24 initial that -- that change. And --

25 THE COURT: All right.

1 MR. DENNEHY: -- given that --

2 THE COURT: That's on page three.

3 MR. DENNEHY: Correct. And given that third point
4 offer of acceptance, the government would have an adjusted
5 estimated offense level of 26. But given that the statutory
6 maximum sentence for this case is five years, it would be a
7 maximum advisory guidelines range of 60 months.

8 THE COURT: And again -- and -- and Mr. Franklin, I
9 see that the plea agreement indicates that the defendant
10 stipulates to the -- to that calculation, correct?

11 MR. FRANKLIN: That is correct, Your Honor. And
12 also for the record, we'll stipulate to the change in the
13 fourth line on page three that it -- rather than read July
14 18th, 2014, read today's date, July 23rd, 2014.

15 THE COURT: All right. And you've done your own
16 calculation and it's based on that that you're -- you're
17 stipulating to the government's calculations.

18 MR. FRANKLIN: That is correct. We are in
19 agreement. We have done independent calculations. We've
20 come up with the same numbers.

21 THE COURT: All right. Mr. Speight, I want to
22 point out a particular provision of this agreement.
23 Paragraph four provides in substance and in part that you
24 will not file an appeal or otherwise challenge your
25 conviction or sentence in the event the Court imposes a term

1 of imprisonment of 60 months or below.

2 Now, 60 months is the -- the statutory maximum
3 rate. Under this agreement, you and your lawyer are free to
4 argue before your sentence that you should not be sent to
5 prison for as long as 60 months.

6 For example, even though the guidelines calculation
7 exceeds the -- the statutory maximum, your lawyer and you are
8 free to argue under this agreement that you should be given a
9 departure that would be less than the -- the guideline range
10 and -- and less than the statutory maximum.

11 However, once Judge Mauskopf sentences you, as long
12 as she stays within the stat -- statutory maximum of 60
13 months, that is the end of the matter. You've agreed that in
14 that event you will not file an appeal or otherwise challenge
15 your conviction or sentence. Do you understand that?

16 THE DEFENDANT: Yes.

17 THE COURT: Do you have any questions you'd like to
18 ask me about the charge, your rights, or anything else
19 relating to this matter?

20 THE DEFENDANT: No, Your Honor. It was very well
21 explained.

22 THE COURT: And you should understand that parole
23 has been abolished and that you will not be sentenced -- and
24 that if you're sentenced to prison you will not be released
25 on parole. Do you understand that?

1 THE DEFENDANT: Yes.

2 THE COURT: Are you ready to plead?

3 THE DEFENDANT: Yes.

4 THE COURT: Mr. Franklin, do you know any reason
5 why Mr. Speight should not plead guilty?

6 MR. FRANKLIN: I do not, Your Honor.

7 THE COURT: Are you aware of any viable legal
8 offense to the charge?

9 MR. FRANKLIN: I am not.

10 THE COURT: Mr. Speight, what is your plea to the
11 one count in the information; guilty or not guilty?

12 THE DEFENDANT: Guilty.

13 THE COURT: Are you making this plea of guilty
14 voluntarily and of your own free will?

15 THE DEFENDANT: Yes, Your Honor.

16 THE COURT: Has anyone threatened or forced you to
17 plead guilty?

18 THE DEFENDANT: No.

19 THE COURT: Other than the agreement with the
20 government that's been marked Court Exhibit 1, has anyone
21 made any promise that has caused you to plead guilty?

22 THE DEFENDANT: No.

23 THE COURT: Has anyone made any promise to you as
24 to what your sentence will be?

25 THE DEFENDANT: No.

1 THE COURT: Again, Count 1 charges that between
2 approximately January of 2012 and May of 2013 you and others
3 knowingly and willfully conspired or agreed to commit mail
4 fraud and securities fraud involving the Adfitech stock and
5 Altmark bonds. Did you in fact partici -- knowingly
6 participate in such a conspiracy?

7 THE DEFENDANT: Yes.

8 THE COURT: Would you tell me in your own words
9 what you did that makes you guilty of that offense?

10 THE DEFENDANT: Yes, Your Honor. Through the use
11 of fraudulent websites, Internet advertising, and cold
12 callers, I conspired with others to sell fictitious Altmark
13 and Adfitech securities to members of the investing public.

14 The investors/victims were induced to invest
15 through false promises of the value and rate of return on the
16 purported securities. In fact, the securities were -- were
17 offered by myself and my co-conspirators were worthless.

18 Once a victim or investor was induced to invest in
19 a particular security, they were instructed to wire their
20 investment monies to one of the attorney accounts maintained
21 by co-conspirator attorneys. Once funds were wired by victim
22 investors into the attorney accounts, the funds were almost
23 immediately transferred to accounts controlled by myself.

24 Once I received the victims' money, fictitious
25 stock and/or bond certificates were mailed to victim

1 investors by myself through international stock transfer.
2 The purported stock and/or bond certificates were signed by
3 myself as a director and/or company officer despite the fact
4 that I had no official affiliation with the companies
5 purportedly issuing the securities.

6 Between January, 2012 and May, 2013, International
7 Stock Transfer received more than 3.3 million dollars in
8 investor monies from the sale of fraudulent securities to at
9 least 72 victims.

10 At least -- at least 11 victims were resident of
11 the United -- residents of the United States, including at
12 loose -- at least two investors who reside within the Eastern
13 District of New York and another residing in the Southern
14 District of New York. And stock certificates were mailed to
15 those investors in the Eastern District of New York.

16 THE COURT: Mr. Dennehy, is there any further
17 inquiry you'd like me to make of the defendant?

18 MR. DENNEHY: No, Your Honor. I think his
19 allocution has incorporated the overt acts as well as the
20 statutory language of Count 1.

21 THE COURT: Based on the information given to me, I
22 find that Mr. Speight is acting voluntarily, that he fully
23 understands his rights and the consequences of his plea, and
24 that there is a factual basis for the plea.

25 I, therefore, recommend acceptance of the plea of

1 guilty to the one count in the information.

2 The Probation Department will be preparing a pre-
3 sentence report and will also be setting the date for
4 sentence before Judge Mauskopf. Mr. Speight, I urge you to
5 cooperate with the probation officer.

6 This is the defendant's initial appearance. There
7 is an agreed upon bond. I have reviewed the pre-sentence
8 report and I am satisfied with the proposed conditions. Mr.
9 Speight has not yet signed the bond.

10 Mr. Speight, have you reviewed it?

11 THE DEFENDANT: Yes.

12 THE COURT: All right. I'm going to have it handed
13 to you so that you can sign it.

14 MR. DENNEHY: Your Honor, and I would just note
15 that the defendant had previously surrendered his passport to
16 the FBI, but he is directed not to apply for any new one.

17 THE COURT: All right. Well, I'm going to go
18 through all the --

19 MR. DENNEHY: Oh.

20 THE COURT: -- conditions with him.

21 MR. DENNEHY: Thank you.

22 (Pause.)

23 THE COURT: All right. Mr. Speight, I see you've
24 now signed the bond. I want to explain what your obligations
25 are and also what will happen to you if you violate any of

1 the conditions of your release.

2 This is a \$100,000 personal recognizance bond. In
3 addition to the usual requirements that you appear in court
4 as directed and not commit any crimes, there are a series of
5 additional or special conditions.

6 First of all, your travel is restricted to the
7 following states: Florida, New York, and California. You
8 are to remain within those states.

9 Obviously, you can -- if you're traveling to
10 California you're -- you can travel across the United States,
11 but you're not authorized to make any detours on the way. Do
12 you understand that?

13 THE DEFENDANT: Yes.

14 THE COURT: And I see that -- I see it provides
15 that his travel is restricted to the three states unless pre-
16 approved by Pretrial Services, correct?

17 MR. FRANKLIN: Yes, Your Honor.

18 PRETRIAL SERVICES OFFICER: Yes.

19 THE COURT: All right. So, you're not requesting
20 that he get court approval for -- all right.

21 And since the Pretrial Services officer is in
22 agreement, I will accept that.

23 But, Mr. Speight, if you have any reason to travel
24 outside those three states, you should speak with Pretrial
25 Services to get their approval.

1 If you travel outside those -- those three states
2 without that approval, that is a violation of your bond. Do
3 you understand that?

4 THE DEFENDANT: Yes, Your Honor.

5 THE COURT: I understand you've already surrendered
6 your passport to the FBI and is the -- the FBI is going to
7 hold onto -- to the passport?

8 MR. DENNEHY: Yes, Your Honor.

9 THE COURT: And you're not to apply for a passport
10 while released on bail. Do you understand that, Mr. Speight?

11 THE DEFENDANT: Yes.

12 THE COURT: I'm placing you under the supervision
13 of Pretrial Services. I understand it's contemplated that
14 the supervision will be out of the West Palm Beach Pretrial
15 Services office. You are to report as directed in person to
16 Pretrial Services. Is that what's being requested -- in
17 person?

18 MR. FRANKLIN: Yes, Your Honor.

19 THE COURT: You're -- Mr. Speight, you're also
20 subject to random visits by a Pretrial Services officer at
21 your home, and if you're working, at your place of work.

22 And in addition, you're to undergo random drug
23 testing, evaluation, and treatment, as well as random
24 testing, evaluation, and treatment for alcoholism as directed
25 by Pretrial Services. Do you understand that?

1 THE DEFENDANT: Yes, Your Honor.

2 THE COURT: Although you're not being asked to put
3 up any cash or property to secure your release by signing
4 this bond, you're agreeing that if you violate any of your
5 bail conditions and if bail is forfeited, you will then owe
6 the government up to the full amount of the bond, or
7 \$100,000. Do you understand that?

8 THE DEFENDANT: Yes, Your Honor.

9 THE COURT: And if that happens, the government
10 could go after any savings or assets that you have in order
11 to collect that money. The government could also attempt to
12 collect that money over time.

13 For example, if you are working, your wages could
14 be garnished, or if you have income, the government could
15 obtain an order of income execution, which means that a
16 portion of your -- your income would be paid over to the
17 government until the full \$100,000 was collected. Do you
18 understand that?

19 THE DEFENDANT: Yes.

20 THE COURT: And -- and that could -- would be on
21 top of any -- any fine and restitution that you might owe.
22 Do you understand that?

23 THE DEFENDANT: Yes.

24 THE COURT: In addition to the -- this financial --
25 these financial consequences to you, if you fail to come to

1 court as directed, a warrant will be issued for your arrest
2 and you may then be held without bail until your -- until
3 your sentence. Do you understand that?

4 THE DEFENDANT: Yes, Your Honor.

5 THE COURT: Failure to appear may result in charges
6 of bail jumping. Bail jumping is a felony offense. It's
7 separate from the -- the conspiracy charge to which you're
8 seeking plea -- seek -- to which you're pleading guilty.

9 If you were convicted of bail jumping as well as
10 the -- the conspiracy charge, you could receive consecutive
11 prison terms. Do you understand that?

12 THE DEFENDANT: Yes.

13 THE COURT: You're also subject to increased
14 punishment if you commit a crime while released on bail. And
15 if you threaten a witness or attempt to influence the
16 testimony of a witness, you may be subjected to punishment
17 for that as well. Do you understand that?

18 THE DEFENDANT: Yes.

19 THE COURT: In short, you should keep your attorney
20 aware of where you can be reached, appear in court as
21 directed, do not commit any crimes, avoid any attempt to
22 influence the testimony of anyone you think may be a witness
23 against you, and comply with all the additional conditions of
24 bail, which I've already summarized for you. Are you
25 prepared to do all of that?

1 THE DEFENDANT: Yes, Your Honor.

2 THE COURT: All right. The bond is approved. Is
3 there anything further?

4 MR. DENNEHY: No, Your Honor. Thank you.

5 THE COURT: And thank you all very much.

6 MR. FRANKLIN: Thank you, Your Honor.

7 MR. DENNEHY: Thank you.

8 (Proceedings concluded at 4:52 p.m.)

9 I, CHRISTINE FIORE, court-approved transcriber and
10 certified electronic reporter and transcriber, certify that
11 the foregoing is a correct transcript from the official
12 electronic sound recording of the proceedings in the above-
13 entitled matter.

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16 _____ March 9, 2015

17 Christine Fiore, CERT

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